

## CORRECTIONS TO NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1995, each agency shall begin the rulemaking process by 1st filing a Notice of Proposed Rulemaking, containing the preamble and the full text of the rules, with the Secretary of State's Office. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the Arizona Administrative Register.

Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the Register before beginning any proceedings for adoption, amendment, or repeal of any rule. A.R.S. §§ 41-1013 and 41-1022.

### TITLE 15. REVENUE

#### CHAPTER 5. DEPARTMENT OF REVENUE TRANSACTION PRIVILEGE AND USE TAX SECTION

Sections Affected	Rulemaking Action
R15-5-1301	New Section
R15-5-1302	Amend
R15-5-1303	Repeal
R15-5-1304	Amend
R15-5-1305	Amend

*Editor's Note: In 2 A.A.R. 4655, November 15, 1996, a Notice of Proposed Rulemaking for 15 A.A.C. 5 was printed that contained errors in the text of the rules. We are reprinting the entire text of the rules here with corrections made. The Preamble to this Notice was correct and is not reprinted here. We apologize for any confusion or inconvenience this error might have caused.*

### TITLE 15. REVENUE

#### CHAPTER 5. DEPARTMENT OF REVENUE TRANSACTION PRIVILEGE AND USE TAX SECTION

##### ARTICLE 13. SALES TAX PUBLICATION PUBLISHING CLASSIFICATION

R15-5-1303. R15-5-1301. Definitions  
R15-5-1302. General  
R15-5-1304. Printing costs Costs  
R15-5-1305. Out-of-state Distribution

##### ARTICLE 13. SALES TAX PUBLICATION PUBLISHING CLASSIFICATION

###### ~~R15-5-1303.~~ R15-5-1301. Definitions

For purposes of this rule, the following definitions apply:

- A.1. "Carriers" means persons who deliver publications to individual subscribers. The deliveries are confined to a specific area or route. A "publisher" is one who manufactures and distributes a publication from a point within this state.
- B.2. "Other vendors" means persons who deliver publications to retailers such as those operating newsstands, convenience markets, drug stores, and coin-operated vending machines. The term "publication" includes books, newspapers, magazines, music, periodicals, and any other literary work.
- C.3. "Publication" means any literary work published, including newspapers, magazines, music, and periodicals. "Publication" does not include books. Effective 9/12/75, the term "publication" shall specifically exclude books. Sales of books directly to a final consumer, however, are taxable under the retail classification (see Article 18).

~~D.4. "Publisher means a person that issues or causes to be issued a publication in this state.~~

###### R15-5-1302. General

- A. ~~The gross income derived from A person engaged in the business of publishing within the state is subject to tax taxable under this classification on the gross income received from notices and subscriptions. Gross income includes revenue from subscriptions, notices, and local advertising.~~
- B. ~~The sale of publications, whether directly or through other vendors, to newsstands, convenience markets, drug stores, or other retailers for resale in the ordinary course of business is not subject to tax under this classification. The sale of the publication by the retailers to consumers is subject to tax as a retail sale.~~
- C. ~~Subscription income includes all circulation revenue. In determining the tax taxable base, the taxable shall exclude however, there shall be excluded from such revenue those actual amounts retained by or credited to carriers and other vendors as compensation for delivery or sale of the publications newspapers.~~
  1. ~~Carriers are defined as those persons who deliver newspapers to individual subscribers. Such deliveries are confined to a specific area or route.~~
  2. ~~Other vendors are defined as those persons who deliver newspapers to retailers such as newsstands, convenience markets, drug stores, and to coin-operated vending machines located in or near commercial establishments such as office buildings, hotels, motels, grocery, and department stores.~~
- C. ~~Income of publishers from sales of newspapers, whether directly or through other vendors, to newsstands, convenience~~

**Corrections to Notices of Proposed Rulemaking**

~~markets, drug stores, or other retailers are taxable under this classification. The sale of newspapers by such retailers to are taxable as retail sales. (See R15-5-1802(C)).~~

**R15-5-1304. Printing Costs**

~~The cost of printing a publication, including the subletting of printing to another person, is not deductible from the gross income. A publisher shall not deduct the cost of printing a publication, including the cost of subletting the printing to another person, from the~~

~~tax base.~~

**R15-5-1305. Out-of-state Distribution**

~~An Arizona publisher is subject to tax on the gross income received from notices and subscriptions regardless of the mailing or distribution points. Income from publications, other books, mailed or distributed from a point within this state to a point outside the state is subject to the tax under this classification.~~